
By: **Delegate Bohanan**
Introduced and read first time: February 7, 2003
Assigned to: Economic Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 18, 2003

CHAPTER _____

1 AN ACT concerning

2 **Intrastate Hazardous Liquid Pipelines - Operations and Reporting**

3 FOR the purpose of requiring the Public Service Commission to include an engineer
4 with certain qualifications on its staff; requiring the Commission to establish
5 and adopt by regulation methods and best practices for intrastate hazardous
6 liquid pipeline facilities; requiring intrastate hazardous liquid pipeline
7 operators to report certain information to the Commission and the National
8 Response Center; requiring the Commission to report certain information to the
9 National Response Center; requiring each intrastate hazardous liquid pipeline
10 operator to submit an annual report with certain contents to the Commission;
11 requiring the Commission to make the report available in a certain manner;
12 requiring each intrastate hazardous liquid pipeline operator to identify and
13 notify certain property owners and provide certain information to the
14 Commission every 5 years; requiring the Commission to obtain certain training
15 for certain members of its staff; and generally relating to intrastate hazardous
16 liquid pipeline safety.

17 BY renumbering
18 Article - Public Utility Companies
19 Section 11-204 through 11-206, respectively
20 to be Section 11-206 through 11-208, respectively
21 Annotated Code of Maryland
22 (1998 Volume and 2002 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Public Utility Companies
25 Section 2-108(d) and 11-203

1 Annotated Code of Maryland
2 (1998 Volume and 2002 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article - Public Utility Companies
5 Section 11-201
6 Annotated Code of Maryland
7 (1998 Volume and 2002 Supplement)

8 BY adding to
9 Article - Public Utility Companies
10 Section 11-204 and 11-205
11 Annotated Code of Maryland
12 (1998 Volume and 2002 Supplement)

13 BY repealing and reenacting, without amendments,
14 Article - Public Utility Companies
15 Section 11-208
16 Annotated Code of Maryland
17 (1998 Volume and 2002 Supplement)
18 (As enacted by Section 1 of this Act)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That Section(s) 11-204 through 11-206, respectively, of Article - Public
21 Utility Companies of the Annotated Code of Maryland be renumbered to be Section(s)
22 11-206 through 11-208, respectively.

23 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
24 read as follows:

25 **Article - Public Utility Companies**

26 2-108.

27 (d) (1) The State budget shall provide sufficient money for the Commission
28 to hire, develop, and organize a staff to perform the functions of the Commission,
29 including analyzing data submitted to the Commission and participating in
30 proceedings as provided in § 3-104 of this article.

31 (2) (I) As the Commission considers necessary, the Commission shall
32 hire experts including economists, cost of capital experts, rate design experts,
33 accountants, engineers, transportation specialists, and lawyers.

34 (II) TO ASSIST IN THE REGULATION OF INTRASTATE HAZARDOUS
35 LIQUID PIPELINES UNDER TITLE 11, SUBTITLE 2 OF THIS ARTICLE, THE COMMISSION
36 SHALL INCLUDE ON ITS STAFF AT LEAST ONE ENGINEER WHO SPECIALIZES IN THE

1 STORAGE OF AND THE TRANSPORTATION OF HAZARDOUS LIQUID MATERIALS BY
2 PIPELINE.

3 (3) The Commission may retain on a case by case basis additional
4 experts as required for a particular matter.

5 (4) The lawyers who represent the Commission staff in proceedings
6 before the Commission shall be appointed by the Commission and shall be organized
7 and operate independently of the office of General Counsel.

8 (5) (i) As required, the Commission shall hire hearing examiners.

9 (ii) Hearing examiners are a separate organizational unit and shall
10 report directly to the Commission.

11 (6) The Commission shall hire personal staff members for each
12 commissioner as required to provide advice, draft proposed orders and rulings, and
13 perform other personal staff functions.

14 (7) Subject to § 3-104 of this article, the Commission may delegate to a
15 commissioner or personnel the authority to perform an administrative function
16 necessary to carry out a duty of the Commission.

17 (8) (i) Except as provided in paragraph (ii) of this item or otherwise by
18 law, all personnel of the Commission are subject to the provisions of the State
19 Personnel and Pensions Article.

20 (ii) The following are in the executive service, management service,
21 or are special appointments in the State Personnel Management System:

- 22 1. each commissioner of the Commission;
- 23 2. the Executive Director;
- 24 3. the General Counsel and each assistant general counsel;
- 25 4. the Executive Secretary;
- 26 5. the commissioners' personal staff members;
- 27 6. the chief hearing examiner; and
- 28 7. each license hearing officer.

29 11-201.

30 (a) In this subtitle the following words have the meanings indicated.

31 (b) "Interstate pipeline" means a pipeline, or part of a pipeline, regulated
32 under 49 U.S.C. Chapter 601 that is used in the transportation of hazardous liquids
33 or carbon dioxide in interstate or foreign commerce.

1 (c) "Intrastate pipeline" means a pipeline, or part of a pipeline, regulated
2 under 49 U.S.C. Chapter 601 that:

3 (1) is used in the transportation of hazardous liquids or carbon dioxide;
4 and

5 (2) is not an interstate pipeline.

6 (d) (1) "Hazardous liquid" means any:

7 (i) petroleum or petroleum product;

8 (ii) anhydrous ammonia;

9 (iii) carbon dioxide; and

10 (iv) any substance or material that:

11 1. is in a liquid state when transported by a pipeline facility;

12 and

13 2. may pose an unreasonable risk to life or property when
14 transported by a pipeline facility, as determined by the United States Secretary of
15 Transportation.

16 (2) "Hazardous liquid" does not include liquefied natural gas.

17 (e) "Pipeline facility" means new and existing pipe, rights-of-way, and any
18 equipment, facility, or building used in the transportation of hazardous liquids or
19 carbon dioxide.

20 (f) "Pipeline operator" means a person who owns or operates a pipeline
21 facility.

22 11-203.

23 (a) (1) The Commission may adopt regulations that establish safety
24 standards and practices applicable to the design, construction, operation, and
25 maintenance of intrastate pipeline facilities.

26 (2) For any intrastate pipeline regulatory program that the Commission
27 establishes under this subtitle, the Commission shall adopt as minimum standards
28 the federal safety standards in Title 49, C.F.R. Parts 195 and 199, as periodically
29 amended.

30 (3) (I) IN COLLABORATION WITH THE AMERICAN SOCIETY OF
31 MECHANICAL ENGINEERS, THE COMMISSION SHALL:

32 1. ESTABLISH AND ADOPT BY REGULATION METHODS AND
33 BEST PRACTICES FOR INTRASTATE PIPELINE FACILITIES; AND

1 (2) ADJACENT TO OR CONTIGUOUS TO REAL PROPERTY ON WHICH THE
2 PIPELINE FACILITY IS LOCATED.

3 (B) THE ANNUAL REPORT SHALL INCLUDE:

4 (1) A SUMMARY DESCRIPTION OF THE SYSTEM THAT INCLUDES THE
5 PIPELINE FACILITY;

6 ~~(2) A MAP OF THE PIPELINE FACILITY AND SYSTEM;~~

7 ~~(3)~~ (2) A DESCRIPTION OF THE PRODUCT TRANSPORTED IN THE
8 PIPELINE FACILITY AND SYSTEM;

9 ~~(4)~~ (3) STATE AND LOCAL EMERGENCY RESPONSE LIAISON
10 INFORMATION;

11 ~~(5)~~ (4) A DESCRIPTION OF THE LEAK DETECTION SYSTEM IN USE FOR
12 THE PIPELINE FACILITY;

13 ~~(6)~~ (5) A DESCRIPTION OF PERIODIC TESTING METHODS USED ON THE
14 PIPELINE FACILITY AND A SUMMARY OF RESULTS OF THE TESTING; AND

15 ~~(7)~~ (6) ANY OTHER INFORMATION THAT THE COMMISSION REQUIRES.

16 (C) THE COMMISSION SHALL MAKE ANNUAL REPORTS AVAILABLE TO THE
17 PUBLIC, INCLUDING PUBLICATION USING THE INTERNET.

18 (D) AT LEAST ONCE EVERY 5 YEARS, ~~A~~ AN INTRASTATE PIPELINE OPERATOR
19 SHALL:

20 (1) IDENTIFY EACH OWNER OF REAL PROPERTY ON WHICH THE
21 PIPELINE FACILITY IS LOCATED;

22 (2) NOTIFY EACH PROPERTY OWNER OF THE PRESENCE OF THE
23 PIPELINE FACILITY ON THE OWNER'S PROPERTY;

24 (3) VERIFY THAT EACH PROPERTY OWNER HAS RECEIVED THE NOTICE;
25 AND

26 (4) PROVIDE TO THE COMMISSION A CURRENT LIST OF ALL PROPERTY
27 OWNERS.

28 11-208.

29 (a) The Commission may impose on a person who violates this subtitle or a
30 regulation adopted in accordance with this subtitle a civil penalty that does not
31 exceed the maximum penalties provided in 49 U.S.C. Chapter 601 (Hazardous Liquid
32 Pipeline Safety Act).

33 (b) Each day a violation continues is a separate violation under this section.

1 (c) To determine the amount of a penalty imposed under this section, the
2 Commission shall consider:

- 3 (1) the nature, circumstances, and gravity of the violation;
- 4 (2) with respect to the violator:
 - 5 (i) the degree of culpability;
 - 6 (ii) any history of prior violations;
 - 7 (iii) the ability to pay;
 - 8 (iv) any effect on the ability to continue doing business; and
 - 9 (v) good faith in attempting to comply; and
- 10 (3) other matters that justice requires.

11 SECTION 3. AND BE IT FURTHER ENACTED, That the Public Service
12 Commission shall obtain current training for its staff members who deal with
13 hazardous liquid pipelines under Title 11, Subtitle 2 of the Public Utility Companies
14 Article on the subjects of fuel oil pipelines and large-capacity storage tanks, including
15 training on American Petroleum Institute Standard 653, "Tank Inspection, Repair,
16 Alteration, and Reconstruction".

17 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2003.